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READINGS AND MATERIALS FOR ECONOMIC REGULATION

PART I

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READINGS AND MATERIALS FOR

ECONOMIC REGULATION

PART I

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FACULTY OF LAW

UNIVERSITY OF TORONTO

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ECONOMIC REGULATION

COURSE OUTLINE

WEEK 1: Rationales for Regulation	PAGE
A. Required	
1. Trebilcock, Waverman and Prichard, "Markets for Regulation" in Ontario Economic Council, Government Regulation: Issues and Alternatives (1978), p. 11	001
2. Joskow and Noll, "Regulation in Theory and in Practice" (mimeograph, 1977)	050
3. Ostry, "Government Intervention in Democratic Market Economics: A Comparison of Canada and the United States", Economic Council of Canada (1978)	139

WEEK 2: THE NATURE OF THE REGULATORY PROCESS

Required Readings	PAGE
1. Reich, "Warring Critiques of Regulation", Regulation (Jan./Feb. 1979)	162
a) Choice of Instrument	
1. Doern, "The Regulatory Process in Canada" in The Regulatory Process in Canada (1978) pp. 13-18.	168
2. Prichard, "The Instruments of Regulation" (May, 1979)	172
3. Becker, "Comment" 19 J. Law & Econ. 245	184
b. Independence	
1. Janisch, "Policy Making in Regulation" Towards a New Definition of the States of Independent Regulatory Agencies in Canada", 17 Osgoode Hall L.J.	188
c) Public Participation	
1. Trebilcock, "The Consumer Interest and Regulatory Reform", in The Regulatory Process in Canada (1978), pp. 106-124.	249

Week 3: Natural Monopoly PAGE

A. Required:

1. Morgan, Economic Regulation of Business (1976), pp. 1-2 267

2. Posner, "Natural Monopoly and its Regulation", 21 Stanford L. Rev. 548 (1969) 269

3. Demsetz, "Why Regulate Utilities", 11 J. Law & Econ. 55 (1968) 365

4. In the Matter of the Applications of United Parcel Service Canada Ltd., Reasons for Decision, Ontario Highway Transport Board, 1977 375

WEEK: 4 PAGE

I. Introduction -- Revenue Requirement

Garfield and Lovejoy: Public Utility Economics, Chapter 5 378

Halpern, An Analysis of the Rate Base -- Rate of Return Form of Regulation (1973), Chapter I. 410

II. Rate Base

a) One Product Utility

Garfield and Lovejoy, Chapter 6, and Chapter 7 435
Halpern: An Analysis of . . ., Chapter II, pp. II-1 to II-13 453

b) i) Working Capital

Halpern, "The Choice of an Appropriate Rate Base", pp. 24-31 465

ii) Used and Useful
Halpern, "The Choice . . ." pp. 34-36 472

iii) Acquisition Cost of a Subsidiary
Halpern, "The Choice . . .", pp. 37-40

Excerpt from Ontario Telephone Services Commission Interim Order No. 3333 re TelOntario Incorporated p. 2-12. 478

c) Problems of Vertical Integration

Halpern, "The Choice . . ." Chapters I, II and III 490